



Barclays Bank PLC – Indian Branches
(Incorporated in the United Kingdom with limited liability)

[Basel III - Pillar 3 disclosures of Barclays Bank Plc - Indian Branches for the period ended 30 June 2017](#)

BACKGROUND

The BASEL III – Pillar 3 disclosures contained herein relate to Barclays Bank Plc, India Branches (herein also referred to as the 'Bank') for the period ended June 30, 2017. Barclays Bank Plc – Indian Branches (the “**Bank**”) is a branch of Barclays Bank Plc, which is incorporated in the United Kingdom with limited liability. Barclays Bank Plc. (UK) (the “**Group**”) is regulated by its home regulator, viz. Prudential Regulatory Authority (PRA), in the United Kingdom (UK). The Bank has been operating in India since 1990 and has now 6 branches (excluding 1 service branch). The Bank operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949.

These disclosures are compiled in accordance with Reserve Bank of India (the 'RBI') regulations on Pillar 3 as given in 'Master Circular – Basel III Capital Regulations dated July 1, 2015'.

The Basel III framework implemented in the Bank is made up of three pillars.

- Pillar 1: Minimum Capital Requirements - This Pillar includes the calculation of RWAs for credit risk, counterparty credit risk, market risk and operational risk.
- Pillar 2: Supervisory Review and Evaluation Process (SREP) – This Pillar requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.
- Pillar 3: Market Discipline – This Pillar covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management.

1. CAPITAL ADEQUACY (Table DF-2)

2.1 Capital Management

Objective

The Bank's objectives are to:

- Meet minimum regulatory requirements in jurisdictions. The Bank's authority to operate as a bank is dependent on the maintenance of adequate capital resources at each level where prudential capital requirements are applied
- Supports its growth and strategic options
- Support its credit rating.

Governance structure

Responsibility for risk management resides at all levels within the Group, from the Board and the Executive Committee down through the organisation to each business manager and risk specialist. Barclays distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business, and subject to robust and effective review and challenge. The responsibilities for effective review and challenges reside with senior managers, risk oversight committees, Barclays Internal Audit, the Independent Group Risk function, the Board Risk Committee and, ultimately, the Board.

In addition, each business unit has an embedded risk management function, headed by a business risk director. Business risk directors and their teams are responsible for assisting business heads in the identification and management of their business risk profiles and for implementing appropriate controls. These teams also assist Group Risk in the formulation of Group policies and their implementation across the businesses.

Enterprise Risk Management Framework (ERMF) operating within the broad policy framework reviews and monitors various aspects of risk arising from the business. Independent Committee(s) like Executive Committee (ExCO), Operations Committee (OPCO), Risk and Control Committee (R&CC), Assets and Liabilities Management Committee (ALCO) have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks

Regulatory capital

Reserve Bank of India (RBI) issued Basel III guidelines applicable with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till March 31, 2019. Upon full implementation, Basel III guidelines target minimum capital to risk weighted assets ratio (CRAR) would be 11.5% (excluding capital required to comply with Global Systemically Important Bank (G-SIB) norms), minimum Common Equity Tier-1 (CET1) CRAR ratio would be 8.0% and minimum Tier-1 CRAR ratio would be 9.5%.

As at June 30, 2017, as per Basel III guidelines bank is required to maintain minimum Common Equity Tier 1 (CET1) capital ratio of 7.75%, minimum Tier-1 capital ratio of 9.25% and minimum total capital ratio of 11.25%. The minimum capital requirement includes capital conservation buffer (CCB) of 1.25% and additional CET1 capital surcharge of 1.00% on account of the Bank being designated as a G-SIB.

Internal assessment of capital

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. Capital planning is set in consideration of minimum regulatory requirements. Capital held to support the level of risk identified is set in consideration of minimum ratio requirements and internal buffers. The process provides an assurance that the Bank has adequate capital to support all risks in its business and an appropriate capital buffer based on its business profile.

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually and which determines the adequate level of capitalization for the Bank to meet regulatory norms, current and future business needs, including those under stress scenarios. The ICAAP encompasses capital planning for a three year time horizon, identification and measurement of material risks and the relationship between risk and capital. These plans are reviewed to assess any capital requirements.

Capital

Each group subsidiary present in India assesses the adequate level of capitalisation required to meet its respective host regulatory requirements and business needs. The Board of each subsidiary maintains oversight over the capital adequacy framework for the subsidiary either directly or through separately constituted committees.

Capital monitoring

The Bank monitors its capital adequacy ratio on a regular basis. The Bank has a process of submitting a Capital Monitoring dashboard where the regulatory CRAR is put up to Treasury. Local management ensures compliance with an entity's minimum regulatory capital requirements by reporting to local Asset and Liability Committees with oversight by Group Treasury as required.

2.2 Capital Requirement for Pillar 1 Risks (June 30, 2017)

Capital required for credit, market and operational risks given below is arrived at after multiplying the risk weighted assets by 11.25%.

		(Rs. in '000s)
No	Description	June 30,2017
A	Capital Requirement for Credit Risk	28,148,130
	(Standardised Approach)	
	- On-balance sheet exposures excluding securitisation exposures	8,989,986
	- Off- balance sheet exposures excluding securitisation exposures	19,156,154
	a) Non-market related	2,006,531
	b) Market-related	17,149,623
	- On-balance sheet-securitisation exposures	0
	- Counterparty Risk as Borrower of funds	1,990
B	Capital Requirement for Market Risk	7,477,506
	(Standardised Duration Approach)	
	- Interest rate related instruments	6,309,636
	- Equity	42,870
	- Foreign Exchange and Gold	1,125,000
C	Operational-risk-weighted exposures	2,765,059
	(Basic Indicator Approach)	
D	Capital Adequacy Ratio of the Bank	16.85%

2.3 Capital Structure / Instruments of the Bank

Tier 1 capital comprises of:

- Capital funds (Interest free funds) injected by Head Office for capital adequacy
- Statutory reserves percentage of net profits retained (currently 25%)
- Remittable surplus in India specifically for capital adequacy purposes
- Capital reserves not eligible for repatriation so long the Bank operates in India.

Tier 2 capital comprises of:

- General provisions created in line with RBI regulations like provision on standard assets, provision on unhedged foreign currency exposure, etc.

As on June 30, 2017 total capital base (Tier1 + Tier2) of the Bank stood at Rs. 59,626,289 ('000s)

(Rs. in '000s)

No	Description	June 30,2017	March 31,2017
A.1	Tier 1 Capital	57,709,267	57,869,064
	Common equity tier 1 capital	57,709,267	57,869,064
	of which		
	-Paid-up share capital	52,495,224	52,495,224
	-Reserves and surplus	7,383,621	7,383,621
	Less: Deductions from tier 1 capital		
	-Amount deducted from tier1 capital (deferred tax asset & other intangibles)	(2,169,578)	(2,009,781)
	-Debit balance in HO / unearned credit spreads/ illiquidity premia	-	-
A.2	Additional Tier 1 Capital	-	-
B	Tier 2 Capital	1,917,022	1,700,880
	of which		
	- Investment reserve	265,098	265,098
	- Provision for standard assets	1,278,070	1,278,070
	- Provision for Unhedged Foreign Currency Exposure	357,293	141,151
	- Provision for country risk	16,561	16,561
	- Excess provision on sale of NPA's	-	-
C	Total Eligible Capital (A+B)	59,626,289	59,569,944

The capital ratios of the Bank are as follows:

Capital ratios	June 30,2017	March 31,2017
CET1 capital ratio	16.31%	17.29%
Tier - 1 capital ratio	16.31%	17.29%
Total capital ratio	16.85%	17.80%

3. RISK EXPOSURE AND ASSESSMENT

Introduction

Barclays engages in activities which entail risk taking, every day, throughout its business. This section introduces these risks, and outlines key governance arrangements for managing them. These include roles and responsibilities, frameworks, policies and standards, assurance and lessons learned processes.

Enterprise Risk Management Framework (ERMF)

The Group has clear risk management objectives and a strategy to deliver them through core risk management processes. The ERMF sets the strategic direction by defining clear standards, objectives and responsibilities for all areas of Barclays

The ERMF sets out:

- Principal Risks faced by the Group
- Risk Appetite requirements
- Roles and responsibilities for risk management

Principal Risks

The ERMF identifies Principal Risks and sets out responsibilities and risk management standards. Note that Legal, Reputation and Model risks are Principal Risks from January 2017 following Group Board approval in December 2016.

Financial Principal Risks:

- Credit risk: The risk of loss to the firm from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables
- Market risk: The risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations
- Treasury and capital risk: This comprises:
 - Liquidity risk: The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets
 - Capital risk: The risk that the firm has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This includes the risk from the firm's pension plans
 - Interest rate risk in the banking book: The risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.

Non-Financial Principal Risks:

- Operational risk: The risk of loss to the firm from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.
- Model risk: The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.
- Reputation risk: The risk that an action, transaction, investment or event will reduce trust in the firm's integrity and competence by clients, counterparties, investors, regulators, employees or the public.
- Conduct risk: The risk of detriment to customers, clients, market integrity, competition or Barclays from the inappropriate supply of financial services, including instances of wilful or negligent misconduct.
- Legal risk: The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet its legal obligations including regulatory or contractual requirements.

Risk Appetite for the Principal Risks

Risk Appetite is defined as the level of risk which the firm is prepared to accept in the conduct of its activities. The Risk Appetite of the firm:

- specifies the level of risk we are willing to take and why, to enable specific risk taking activities
- considers all Principal Risks individually and, where appropriate, in aggregate
- communicates the acceptable level of risk for different risk types; this may be expressed in financial or non-financial terms, and is measured and effectively monitored

- describes agreed parameters for the firm's performance under varying levels of financial stress with respect to profitability is considered in key decision-making processes, including business planning, mergers and acquisitions, new product approvals and business change initiatives.

Risk Appetite is approved and disseminated across legal entities and businesses, including by use of Mandate and Scale limits to enable and control specific activities that have material concentration risk implications for the firm. These limits also help reduce the likelihood and size of one-off losses. The Risk Appetite must be formally reviewed on at least an annual frequency in conjunction with the Medium Term Planning (MTP) process and approved by the Board.

Roles and responsibilities in the management of risk – the Three Lines of Defense

All colleagues have a responsibility to contribute to the risk management of the Group. These responsibilities are set out in the "Three Lines of Defence". In 2016 these definitions were simplified. Regardless of their function, all teams who manage processes in the firm are responsible for designing, implementing, remediating, monitoring and testing the controls for those processes.

First Line of Defense:

The First Line comprises all employees engaged in the revenue generating and client facing areas of the firm and all associated support functions, including Finance, Treasury, Technology and Operations, Human Resources etc. Employees in the first line are responsible for:

- identifying all the risks in the activities in which they are engaged, and developing appropriate policies, standards and controls to govern their activities
- operating within any and all limits which the Risk and Compliance functions establish in connection with the Risk Appetite of the firm
- Escalating risk events to senior managers and Risk and Compliance.

Internal controls are critical to running a cost-effective and stable business. To ensure these controls remain strong, sustainable, and efficient the new strategic position of Chief Controls Officer has been created. The Chief Controls Office will help to maintain and enhance an effective and consistent control framework across the organisation.

The First Line must establish their own policies and controls (subject to the Controls Framework of the firm), particularly with respect to operational activities, and require their colleagues to manage all controls to specified tolerances. These control-related activities are also considered First Line and are permitted so long as they are within any applicable limits established by Risk or Compliance. All activities in the first line are subject to oversight from the relevant parts of the second and third lines.

Second Line of Defense:

Employees of Risk and Compliance comprise the Second Line of Defense. The role of the Second Line is to establish the limits, rules and constraints under which first line activities shall be performed, consistent with the Risk Appetite of the firm, and to monitor the performance of the First Line against these limits and constraints.

The Second Line may not establish limits for all First Line activities, especially those related to Operational Risk. The controls for these will ordinarily be established by Controls Officers operating within the Controls Framework of the firm, under the oversight of the Second Line.

The Second Line can also undertake certain additional activities if, in the judgement of the Group CRO, this will reduce the firm's exposure to risk.

Third Line of Defense:

Employees of Internal Audit comprise the Third Line of Defense. They provide independent assurance to the Board and Executive Management over the effectiveness of governance, risk management and control over current, systemic and evolving risks.

The Legal department does not sit in any of the three lines, but supports them all. The Legal department is, however, subject to oversight from Risk and Compliance, with respect to Operational and Conduct risks.

Stress testing

Stress Testing is performed by the Bank and helps to ensure that our medium term plan has sufficient flexibility to remain appropriate during times of stress. Stress testing allows us to analyse a potential economic scenario or event using defined macro and market based parameters.

Bank runs detailed analysis to assess the impact of the stress on their P&L, balance sheet and RWAs for the Bank. As part of the stress test process, Bank also identifies possible management actions to mitigate the impact of stress. The bottom-up approach ensures all levels of management are informed of the impact of the stress scenarios and are aware of appropriate management actions to be taken when a stress event occurs.

The stress results are reviewed and challenged by their local risk managers and senior management and by Local Risk Committee as part of detailed review meetings. The results are agreed with senior management in Barclays Risk and Barclays Treasury, and then reviewed and agreed by ALCO and ExCO.

4. CREDIT RISK: (Table DF- 3)

Credit risk is the risk of suffering financial loss should any of the customers, clients or market counterparties fail to fulfill their contractual obligations.

4.1 Credit Risk Management Objectives and Policies:

The Group has clear risk management objectives and a well established strategy to deliver them through core risk management processes. At a strategic level, the Group's risk management objectives are to:

- Identify significant risks
- Formulate the risk appetite and ensure that business profile and plans are consistent with it
- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures
- Ensure that business growth plans are properly supported by effective risk infrastructure
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions, and
- Help executives improve the control and co-ordination of risk taking across the business.

A key element in the setting of clear management objectives is the Enterprise Risk Management Framework (ERMF) which sets out key activities, tools, techniques and organizational arrangements so that material risks facing the Group are identified and understood, and that appropriate responses are in place to protect the Bank and prevent detriment to its customers, employees or community.

The aim of the risk management process is to provide a structured, practical and easily understood set of three steps, Evaluate, Respond and Monitor (the E-R-M process), that enables management to identify and assess risks, determine the appropriate risk response and then monitor the effectiveness of the risk response and changes to the risk profile.

The granting of credit is one the Bank's major sources of income and, as a Principal Risk, considerable resources are dedicated to its control. The credit risk that the Bank faces arises mainly from wholesale and other small-ticket loans together with the counterparty credit risk arising from derivative contracts with clients. Other sources of credit risk arise from trading activities, including debt securities; settlement balances with market counterparties, available for sale assets and reverse repurchase loans.

Credit risk management objectives are to:

- To establish a framework of controls to ensure credit risk-taking is based on sound credit risk management principles
- To identify, assess and measure credit risk clearly and accurately across the Group and within each separate business from the level of individual facilities, up to the total portfolio
- To control and plan credit risk-taking in line with external stakeholder expectations and avoiding undesirable concentrations
- To monitor credit risk and adherence to agreed controls
- To ensure that the risk reward benefits are met

4.2 Structure and Organization

The Group has structured the responsibilities of credit risk management so that decisions are taken as close as possible to the business, whilst ensuring robust review and challenge of performance, risk infrastructure and strategic plans. The credit risk management teams in each business are accountable to the relevant Business Chief Risk Officer who in turn reports to the Group CRO.

Credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers entrusted with the higher levels of delegated authority. The largest credit exposures which are outside of individual delegated authorities or relevant credit approval committees require the support of the Group Senior Credit Officer (GSCO), the Group's most senior credit risk sanctioner. For exposure in excess of the GSCO authority, approval by Group CRO is required. Credit risk managers are generally organized in sanctioning team by geography, industry and / or product.

The role of the Central Risk function is to provide Group-wide direction, oversight and challenge of credit-risk taking. Central Risk sets the Credit Risk Control Framework, which provides the structure within which credit risk is managed, together with supporting credit risk policies.

4.3 Credit risk monitoring

For effective monitoring of credit facilities, the relevant Risk Control Unit / Transaction Management Group verifies adherence to the terms of approval prior to commitment and disbursement of credit facilities.

4.4 Reporting, assessment and measurement

Risk management policies and processes are designed to identify and analyze risk, to set appropriate risk appetite, limits and controls, and to monitor the risks and adherence to limits by means of reliable and timely data. This process can be summarised in five broad stages:

- Measuring exposures and concentrations
- Monitoring performance and asset quality
- Monitoring weaknesses in portfolios
- Raising allowances for impairment and other credit provisions; and
- Returning assets to a performing status or writing off assets when the whole or part of a debt is considered irrecoverable.

The principal objective of credit risk measurement is to produce the most accurate possible quantitative assessment of the credit risk to which the Bank is exposed, from the level of individual facilities up to the total portfolio. Integral to this is the assignment of obligor ratings, which are used in numerous aspects of credit risk management and in the calculation of regulatory and economic capital.

The key building blocks in this quantitative assessment are:

- Probability of default (PD)
- Exposure at default (EAD)
- Loss given default (LGD)

4.5 Credit Concentration Risk

A risk concentration is any single exposure or a group of exposures with the potential to produce losses large enough (relative to a bank's capital, total assets, or overall risk level) to threaten a bank's health or ability to maintain its core operations.

The Bank monitors the Exposure norms as prescribed by Reserve Bank of India vide its Master circular on Exposure norms DBOD.No.Dir.BC.12/13.03.00/2015-16 on a periodic basis. The exposure ceiling limits is 15 percent of capital funds in case of a single borrower and 40 percent of capital funds in the case of a borrower group. Credit exposure to a single borrower may exceed the exposure norm of 15 percent of the bank's capital funds by an additional 5 percent (i.e. up to 20 percent) provided the additional credit exposure is on account of extension of credit to infrastructure projects. Credit exposure to borrowers belonging to a group may exceed the exposure norm of 40 percent of the bank's capital funds by an additional 10 percent (i.e., up to 50 percent), provided the additional credit exposure is on account of extension of credit to infrastructure projects. In addition to the exposure permitted above, bank may, in exceptional circumstances, with the approval of its India Executive Committee, consider enhancement of the exposure to a borrower up to a further 5 percent of capital funds.

In addition to the above, the Bank controls and limits concentration of risk via the application of sectoral caps and identifying high-risk sectors.

4.6 Definition of Non-Performing Assets

Assets (Loans and credit substitutes in the nature of advances) are identified as performing or non-performing assets (NPAs) based on the management's periodic internal assessment or in accordance with RBI guidelines, whichever is earlier. An asset becomes non-performing when it ceases to generate income for the bank. A payment obligation (principal/interest) which remains unpaid for more than 90 days past due is classified as NPA.

An overdraft /cash credit facility is classified as NPA when the account remains "out of order". An account is treated as 'out of order' if:

- the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days; or
- where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of the balance sheet; or
- credits in the account are not enough to cover the interest debited during the accounting period; or
- drawings have been permitted in the account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than three months old even though the unit may be working or the borrower's financial position is satisfactory; or
- the regular/ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/date of adhoc sanction.

A bill purchased / discounted by the Bank remaining overdue for a period of more than 90 days will be classified as an NPA.

NPA in respect of derivative transactions, are when the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

NPAs are further classified into sub-standard, doubtful and loss assets based on the days past due criteria stipulated by RBI.

4.7 Definition of Impairment

At periodic intervals, the Bank ascertains if there is any impairment in its assets. If such an indication is detected, the Bank estimates the recoverable amount of the asset. If the recoverable amount of the asset or the cash generating unit, which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

Provisions are made to reflect the risk tendency of the portfolio. Specific provisions are made based on management's assessment of the degree of impairment of the advances/derivative transactions subject to minimum prevailing provisioning norms laid down by RBI

4.8 Restructured Assets

As per RBI guidelines, a viable account facing financial difficulty due to economic/legal reasons can be restructured by grant of concessions including rescheduling and/or resetting principal repayments and/or the interest element, etc. Such restructuring must be separately disclosed as a restructured loan in the year of restructuring and the restructured asset would be subject to the applicable asset classification and provisioning criteria as prescribed by RBI from time to time. A non performing asset, which has been restructured, will become eligible for upgrading to standard category only after satisfactory performance of the terms of restructuring over a specified period of time of minimum one year from the commencement of the first payment of interest or principal installment whichever is later.

4.9 Credit Risk exposures

Total gross credit risk exposure including geographic distribution of exposure

(Rs. In 000's)

		June 30, 2017			March 31, 2017		
		Domestic	Overseas ²	Total	Domestic	Overseas ²	Total
A)	Fund based exposure	120,435,117	-	120,435,117	110,238,498	-	110,238,498
B)	Non fund based exposure ¹	26,634,218	-	26,634,218	22,577,697	-	22,577,697
	Total³	147,069,335		147,069,335	132,816,195	-	132,816,195

1. Non-fund based exposures are guarantees given on behalf of constituents, letters of credit and acceptances and endorsements and does not include exposures arising on the derivative contracts.

2. Advances/ bills discounted in India against letters of credit issued by banks outside India are considered under domestic exposure.

3. Exposures do not include undrawn limits.

4. Excluding specific risk on available for sale (AFS) portfolio.

Industry classification of gross loans and advances

Industry classification	June 30, 2017 (Rs. In 000's)	
	Fund based	Non fund based (non derivatives)
Iron and Steel	40,149	
Other Metal and Metal products	186,274	
All Engineering	2,452,119	1,101,601
Other Textiles	15,087	
Tea	371,169	297,068
Food Processing	277,024	
Vegetable Oil and Vanaspati	30,081	
Tobacco and Tobacco Products	69,777	
Paper and Paper Products	781,961	
Rubber and Rubber Products	805,133	26,909
Chemicals, Dyes, Paints etc.	11,048,627	203,431
Leather and Leather Products	20,148	
Gems and Jewellery	596,107	
Construction	62,500	
Petroleum	3,695,155	
Automobiles including trucks	466,151	631,223
Computer Software	4,830,960	51,450
Infrastructure	15,013,432	5,683,516
NBFCs & Trading	10,594,897	118,939
Other Industries	-	3,229,000
Banking Sector	64,375,527	14,626,702
Retail Loans	581	0
Residual exposures	4,702,248	664,378
Total	120,435,117	26,634,218

Industry Classification	March 31, 2017 (Rs. In 000's)	
	Fund Based	Non Fund Based (Non Derivatives)
Other Metal and Metal products	106,098	-
All Engineering	729,810	1,896,355
Other Textiles	37,413	-
Tea	350,993	441,629
Food Processing	183,075	-
Vegetable Oil and Vanaspati	33,689	-
Tobacco and Tobacco Products	152,800	-
Paper and Paper Products	781,961	-
Rubber and Rubber Products	617,435	37,830
Chemicals, Dyes, Paints etc.	8,263,295	-
Leather and Leather Products	13,100	-
Gems and Jewellery	120,354	-
Construction	62,500	-
Automobiles including trucks	330,972	683,665
Computer Software	1,929,850	41,450
Infrastructure	18,398,869	5,099,314
NBFCs & Trading	11,446,793	114,882
Banking Sector	61,932,923	13,607,124
Retail Loans	1	-
Residual exposures	4,746,567	655,448
Total	110,238,498	22,577,697

Exposure to industries in excess of 5% of the total exposure

Industry Classification	June 30, 2017 (Rs. In 000's)	
	Fund Based	Non Fund Based (Non Derivatives)
Banking Sector	64,375,527	14,626,702
Infrastructure	15,013,432	5,683,516
NBFCs & Trading	10,594,897	118,939
Chemicals, Dyes, Paints etc.	11,048,627	203,431

Industry Classification	March 31, 2017 (Rs. In 000's)	
	Fund Based	Non Fund Based (Non Derivatives)
Banking Sector	61,932,923	13,607,124
Infrastructure	18,398,869	5,099,314
NBFCs & Trading	11,446,793	114,882
Chemicals, Dyes, Paints etc.	8,263,295	-

Residual contractual maturity breakdown of assets as at June 30, 2017

(Rs. In 000's)

Maturity buckets	Cash and Balances with Reserve Bank of India	Balances with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Total
1 day	5,109,942	958,699	22,783,779	2,066,801	-	758,074	31,677,295
2 to 7 days	-	82,112	19,904,610	5,816,829	-	46,024	25,849,575
8 to 14 days	-	-	3,546,302	8,728,507	-	-	12,274,809
15 to 30 days	561,354	-	2,420,246	17,938,513	-	2,333,350	23,253,463
31 days to 2 months	591,227	344,112	2,587,316	12,487,257	-	1,968,223	17,978,135
2 to 3 months	460,714	-	2,020,849	11,621,717	-	14,794	14,118,074
3 to 6 months	1,042,479	-	5,043,856	27,520,904	-	16,388	33,623,627
6 to 12 months	685,542	-	3,674,481	27,005,469	-	69,041	31,434,533
1 to 3 years	347,207	100	4,201,434	5,888,620	-	2,092,419	12,529,780
3 to 5 years	161,470	-	624,689	729,154	-	248,157	1,763,470
Over 5 years	150	-	127,950	82,415	240,909	60,872,477	61,323,901
Total	8,960,085	1,385,023	66,935,512	119,886,186	240,909	68,418,947	265,826,662

Movement of NPAs and provision for NPA (loans and advances portfolio)

(Rs. In 000's)

Particulars	June 30, 2017	March 31, 2017
Amount of NPAs (Gross)	783,520	826,020
- Substandard	781,961	781,961
- Doubtful	-	-
- Doubtful 1	-	-
- Doubtful 2	-	-
- Doubtful 3	-	-
- Loss	1,559	44,059
Net NPAs	234,588	469,177
NPA Ratios		
- Gross NPAs to gross advances	0.65%	0.75%
- Net NPAs to Net advances	0.20%	0.43%
Movement of NPAs (Gross)		
- Opening balance	826,020	1,855,148
- Additions	0	781,961
- Reductions	42,500	(1,811,089)
- Closing balance	783,520	826,020

Particulars	June 30, 2017	March 31, 2017
Movement of provision for NPAs		
-Opening balance	356,843	1,849,429
-Provision made during the year	192,089	313,790
-Write-offs / write back of excess provisions		(1,806,376)
-Closing balance	548,932	356,843

Movement in provision as of June 30, 2017

(Rs. In 000's)

	General Provision*	Specific Provision
-Opening balance	1,362,823	356.843
-Provision made during the period	272,540	192,089
-Write-offs / write back of excess provisions		
- Any other adjustments, including transfers between provisions		
-Closing balance	1,635,363	548,932

*Movement in General Provision is only on account of provision on unhedged foreign currency exposure.

Details of write-offs and recoveries as of June 30, 2017

(Rs. In 000's)

Write-off that have been booked directly to the income statement	42,500
Recoveries that have been booked directly to the income statement	10,566

Major Industry-wise NPAs, provisions and write-off as of June 30, 2017

(Rs. In 000's)

Industry Classification	NPA	Provisions	Write-off
Paper & Paper Products	781,961	547,373	
Infrastructure			425
Chemicals Dyes & Paints	1,559	1,559	
TOTAL	783,520	548,932	425

NPIs and movement of provision for depreciation on investments

(Rs. In 000's)

	June 30, 2017	March 31, 2017
Amount of non-performing investments	-	-
Amount of provision held for non – performing investments	-	-
Movement of provisions for depreciation on investments		
-Opening balance	38,747	-
-Provision made from during the year	7,983	38,747
-Write-offs	-	-
-Write back of excess provisions	-	-
-Closing balance	46,730	38,747

5. CREDIT RISK: Disclosure of portfolio subject to standardised approach (Table DF-4)

The Bank is using issuer ratings and short-term and long-term instrument ratings which are assigned by the accredited rating agencies viz. assigned by CRISIL, CARE, ICRA, Fitch and Brickworks and published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporate and foreign bank, ratings assigned by international rating agencies i.e. S&P, Moody's and Fitch are used for assigning the risk weights.

- With respect to short term exposures, short term ratings are assigned wherever available for the facilities extended by the Bank.
- In case, ratings are not available for the facilities extended, ratings as applicable for the other facilities of the counterparty are assigned. The applicable risk weight would be one notch higher. However, mingling of fund based and non-fund based facilities is not permitted.
- Similarly for derivative trades with original maturity equal to or less than one year, and where issue-specific short term rating is not available, the applicable risk weight would be one notch higher as would be applicable for issue-specific short term rated facility.
- In case of long term exposures, ratings of the facilities, if available is assigned, else the rating of other facilities of the same counterparty is applied. Further, if facilities ratings are not available, then counterparty rating is applied.
- Cash Credit / Overdraft/ Short Term Loan exposures shall be considered as long term exposures and treatment applicable to long term exposures shall be applied. Since short term loans typically get rolled over on a conservative basis the same would be assigned long term ratings even though their original maturity is less than one year.
- The claims on banks incorporated in India and foreign bank branches in India is risk weighted based on the Common Equity Tier 1 capital of that bank, as per the RBI guidelines. In respect of claims on non-resident corporate and foreign bank, ratings assigned by international rating agencies i.e. S&P, Moody's and Fitch are used for assigning the risk weights.

Details of credit risk exposure based on risk- weight

Description	(Rs. In 000's)	
	June 30, 2017	March 31, 2017
Outstanding net loans and advances (rated and unrated) :	119,886,187	109,881,655
-Below 100% risk weight	97,176,325	69,439,577
-100% risk weight	18,563,488	35,033,839
-More than 100% risk weight	4,146,374	5,408,239
-Deductions	NIL	NIL
<i>* The above comprises of Net loans and advances as reported to RBI in regulatory filings</i>		

6. LEVERAGE RATIO:

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Basel III leverage ratio is the capital measure (Tier-1 capital) divided by the exposure measure, with this ratio expressed as a percentage. The Bank's leverage ratio as at June 30, 2016, calculated in accordance with the RBI guidelines is as follows:

	(Rs. In 000's)
Tier 1 Capital (A)	57,709,267
Exposure Measure (B)	421,390,479
Leverage Ratio (A/B)	13.69%